

TM244458H

8. 4
Reg. No :

Name :

MASTER'S DEGREE (C.S.S) EXAMINATION, MARCH 2024

2022 ADMISSIONS REGULAR

SEMESTER IV - CORE COURSE ECONOMICS

EC4C16TM20 - International Finance

Time : 3 Hours

Maximum Weight : 30

Part A

I. Answer any Eight questions. Each question carries 1 weight

(8x1=8)

1. How does currency appreciation affect exports and imports?
2. Give rationale for a country adopting flexible exchange rate.
3. In what ways asset market approach to bop differ from the monetary approach?
4. Write Capital account of BoP.
5. What are the different types of BoP disequilibrium?
6. Describe speculative demand for money.
7. How does devaluation affect the BP curve of a nation?
8. Did the Great Recession and East Asian Crisis affect India?
9. Write a note on seigniorage.
10. How did Greece cause Euro-zone crisis?

Part B

II. Answer any Six questions. Each question carries 2 weight

(6x2=12)

11. Illustrate monetary approach to exchange rate determination using equations.
12. Using diagram explain gold export point and gold import point.
13. Discuss the combined net effect of changes in exports and imports caused by devaluation on BoP.
14. Discuss expansionary effect of increase in investment and export on National income.
15. How do you rate fiscal policy with flexible exchange rate and perfect capital mobility?
16. How does Swan model help determine external and internal balance?
17. Briefly discuss the role played by International Labour Organisation.
18. Give an account of the Euro zone debt crisis.

Part C

III. Answer any Two questions. Each question carries 5 weight

(2x5=10)

19. How does monetary approach explain the correction of bop disequilibrium under fixed and flexible exchange rate?
20. Illustrate structure and composition of BoP accounts and discuss various measures to correct disequilibrium in balance of payments.
21. How does Mundell-Fleming model extend the IS-LM model to an open economy?
22. Elaborate on international capital movements. Have they been successful in bringing about development of a nation.

